

**LANTRONIX, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	<b>March 31,</b>	<b>June 30,</b>
	<b>2021</b>	<b>2020</b>
	<hr/>	<hr/>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,277	\$ 7,691
Accounts receivable, net	11,623	11,411
Inventories	15,079	13,781
Contract manufacturers' receivables	1,258	337
Prepaid expenses and other current assets	2,337	1,290
Total current assets	<hr/>	<hr/>
	38,574	34,510
Property and equipment, net	1,442	1,587
Goodwill	15,810	15,810
Purchased intangible assets, net	9,934	12,449
Lease right-of-use assets	2,266	3,345
Other assets	243	232
Total assets	<hr/> <hr/>	<hr/> <hr/>
	\$ 68,269	\$ 67,933
 <b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 6,791	\$ 5,331
Accrued payroll and related expenses	2,427	2,658
Short-term debt, net	1,472	1,472
Other current liabilities	8,033	6,308
Total current liabilities	<hr/>	<hr/>
	18,723	15,769
Long-term debt, net	2,578	3,682
Other non-current liabilities	1,061	1,962
Total liabilities	<hr/> <hr/>	<hr/> <hr/>
	22,362	21,413
 Commitments and contingencies		
 Stockholders' equity:		
Common stock	3	3
Additional paid-in capital	248,600	246,265
Accumulated deficit	(203,067)	(200,119)
Accumulated other comprehensive income	371	371
Total stockholders' equity	<hr/>	<hr/>
	45,907	46,520
Total liabilities and stockholders' equity	<hr/> <hr/>	<hr/> <hr/>
	\$ 68,269	\$ 67,933

**LANTRONIX, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	Three Months Ended			Nine Months Ended	
	March 31,	December 31,	March 31,	March 31,	
	2021	2020	2020	2021	2020
Net revenue	\$ 17,108	\$ 16,585	\$ 16,512	\$ 50,839	\$ 42,481
Cost of revenue	9,390	9,589	9,135	27,886	22,132
Gross profit	7,718	6,996	7,377	22,953	20,349
Operating expenses:					
Selling, general and administrative	4,995	4,853	5,558	14,747	14,902
Research and development	2,519	2,449	2,724	7,540	7,681
Restructuring, severance and related charges	120	137	2,263	349	3,366
Acquisition-related costs	178	-	1,250	178	2,246
Amortization of purchased intangible assets	754	879	801	2,515	1,096
Total operating expenses	8,566	8,318	12,596	25,329	29,291
Loss from operations	(848)	(1,322)	(5,219)	(2,376)	(8,942)
Interest expense, net	(77)	(82)	(83)	(244)	(43)
Other income (expense), net	(224)	2	129	(183)	76
Loss before income taxes	(1,149)	(1,402)	(5,173)	(2,803)	(8,909)
Provision for income taxes	38	57	43	145	128
Net loss	\$ (1,187)	\$ (1,459)	\$ (5,216)	\$ (2,948)	\$ (9,037)
Net loss per share - basic and diluted	\$ (0.04)	\$ (0.05)	\$ (0.19)	\$ (0.10)	\$ (0.37)
Weighted-average common shares - basic and diluted	28,819	28,661	27,048	28,617	24,369

**LANTRONIX, INC.**  
**UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS**  
(In thousands, except per share data)

	Three Months Ended			Nine Months Ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	2020
GAAP net loss	\$ (1,187)	\$ (1,459)	\$ (5,216)	\$ (2,948)	\$ (9,037)
Non-GAAP adjustments:					
Cost of revenue:					
Share-based compensation	70	85	70	212	142
Employer portion of withholding taxes on stock grants	3	-	1	3	2
Depreciation and amortization	170	181	149	528	289
Total adjustments to cost of revenue	243	266	220	743	433
Selling, general and administrative:					
Share-based compensation	803	671	939	1,919	2,176
Employer portion of withholding taxes on stock grants	19	6	3	30	9
Depreciation and amortization	38	37	81	130	188
Total adjustments to selling, general and administrative	860	714	1,023	2,079	2,373
Research and development:					
Share-based compensation	170	135	123	405	331
Employer portion of withholding taxes on stock grants	5	2	3	13	8
Depreciation and amortization	57	50	39	140	95
Total adjustments to research and development	232	187	165	558	434
Restructuring, severance and related charges	120	137	2,263	349	##### ##
Acquisition related costs	178	-	1,250	178	##### ##
Amortization of purchased intangible assets	754	879	801	##### ##	##### ##
Litigation settlement cost	-	-	75	-	75
Amortization of manufacturing profit in acquired inventory	-	-	33	7	204
Total non-GAAP adjustments to operating expenses	2,144	1,917	5,610	##### ##	##### ##
Interest (income) expense, net	77	82	83	244	43
Other (income) expense, net	224	(2)	(129)	183	(76)
Provision for income taxes	38	57	43	145	128
Total non-GAAP adjustments	2,726	2,320	5,827	7,001	10,322
Non-GAAP net income	\$ 1,539	\$ 861	\$ 611	\$ 4,053	\$ 1,285
Non-GAAP net income per share - diluted	\$ 0.05	\$ 0.03	\$ 0.02	\$ 0.13	\$ 0.05
Denominator for GAAP net income per share - diluted	28,819	28,661	27,048	28,617	24,369
Non-GAAP adjustment	1,700	1,695	1,641	1,821	1,669
Denominator for non-GAAP net income per share - diluted	30,519	30,356	28,689	30,438	26,038
GAAP operating expenses	\$ 8,566	\$ 8,318	\$ 12,596	\$ 25,329	\$ 29,291
Non-GAAP adjustments to operating expenses	(2,144)	(1,917)	(5,610)	(5,686)	(9,794)

**LANTRONIX, INC.**  
**UNAUDITED NET REVENUES BY PRODUCT LINE AND REGION**  
(In thousands)

	<b>Three Months Ended</b>			<b>Nine Months Ended</b>	
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
IoT	\$ 13,661	\$ 13,402	\$ 13,922	\$ 41,683	\$ 35,323
REM	3,305	3,095	2,424	8,802	6,557
Other	142	88	166	354	601
	<u>\$ 17,108</u>	<u>\$ 16,585</u>	<u>\$ 16,512</u>	<u>\$ 50,839</u>	<u>\$ 42,481</u>

	<b>Three Months Ended</b>			<b>Nine Months Ended</b>	
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Americas	\$ 8,615	\$ 8,023	\$ 10,126	\$ 27,567	\$ 21,730
EMEA	4,096	4,740	3,612	11,475	12,495
Asia Pacific Japan	4,397	3,822	2,774	11,797	8,256
	<u>\$ 17,108</u>	<u>\$ 16,585</u>	<u>\$ 16,512</u>	<u>\$ 50,839</u>	<u>\$ 42,481</u>